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**STATE BOARD OF EQUALIZATION**

June 19, 1950

D--- Distributors, Inc.  
XXXX D--- Dr.  
--- ---, California

Attention: Mr. F. D. T---, Controller

Re: x XXXXX

This is in reply to your letter of June 9, 1950, inquiring as to the exemption from sales and use taxes of items which enter into production and growth of nursery stock for resale.

Under Section 6385 of the Sales and Use Tax Law and the related Sales and Use Tax Ruling 48, copies of which are enclosed, the sale to you of seeds, annual plants, and fertilizer to produce and grow nursery stock for resale would be exempt from sales and use taxes. Sales of nonannual plants to you are also exempt from such taxes if the plants themselves are purchased by you for resale and are not used prior to resale for flower production or otherwise. "Commercial fertilizers", "agricultural minerals", and "manures" are considered to be "fertilizer". Nonreturnable containers purchased by you are not taxable if you place nursery stock in such containers and sell the stock together with the container. Sales and Use Tax Ruling 49 is enclosed for your information as to other types of containers and labels.

All other items which you may purchase for use in the production and growing of nursery stock for resale are subject to sales tax or use tax. If you wish information as to any specific purchase a member of the staff at our District Office, 357 South Hill Street, Los Angeles California, telephone number Madison 6-6381, will be glad to consult with you concerning it.

Very truly yours,

E. H. Stetson  
Tax Counsel

cc: Wm . R. Thomson